

**Amendments to the Claims:**

This listing of claims will replace all prior versions, and listings, of claims in the application:

**Listing of Claims:**

Claim 1 (currently amended): A method for forming a lending instrument, the method comprising the steps of:

- (a) selecting a principal to be borrowed;
- (b) defining an interest rate;
- (c) selecting a loan term;
- (d) selecting an initial payment; and
- (e) calculating a growth rate whereby a stream of payments, as defined by the initial payment, the loan term, and the growth rate, has a present value equal to the borrowed principal,

wherein the present value is calculated using the interest rate,  
wherein the stream of payments increases during half or more of the loan term, and  
wherein the growth rate is neither a whole percent nor a half of one percent or  
combinations thereof.

Claim 2 (cancelled)

Claim 3 (cancelled)

Claim 4 (cancelled)

Claim 5 (currently amended): The method of claim 1, wherein the initial payment is greater than or equal to an interest [[only]] portion of an initial payment of a fixed rate conventional loan having constant payments and the [[same]] interest rate, principal, and loan term.

Claim 6 (original): The method of claim 1, wherein a comparable fixed rate conventional loan has a reference term and the same interest rate and principal, wherein the initial payment is equal to payments from the comparable fixed rate conventional loan, and the term of the loan is less than the reference term.

Claim 7 (currently amended): The method of claim 1, wherein the loan term is selected so that portions of the stream of payments comprising [[comprises]] interest [[-only portions that]] sum to be [[approximately]] substantially equal to total interest paid on [[with]] an equivalent fixed rate conventional loan.

Claim 8 (currently amended): The method of claim 1 further comprising selecting a buydown amount, wherein a portion of the stream of the payments is less than an interest due at the interest rate and wherein the stream of payments is further defined by the buydown.

Claim 9 (original): The method of claim 8, wherein the buydown amount is included as an increase to the selected principal.

Claim 10 (currently amended): A lending instrument created through a process comprising the steps of:

- (a) selecting a principal to be borrowed;
- (b) defining an interest rate charged for the principal;
- (c) selecting a term;
- (d) selecting an initial payment; and
- (e) calculating a growth rate, whereby a stream of payments for the lending

instrument, as defined by the initial payment, the loan term, and the growth rate, has a present value equal to the borrowed principal,

wherein the present value is calculated using the interest rate,  
wherein the stream of payments increases during half or more of the loan term, and  
wherein the growth rate is neither a whole percent nor a half of one percent or  
combination thereof.

Claim 11 (cancelled)

Claim 12 (cancelled)

Claim 13 (cancelled)

Claim 14 (currently amended): The lending instrument of claim 10, wherein the initial payment is greater than or equal to an interest [[only]] portion of an initial payment of a fixed rate conventional loan having constant payments and similar interest rate, principal, and term.

Claim 15 (original): The lending instrument of claim 10, wherein a comparable fixed rate conventional loan has a reference term and the same interest rate and principal, wherein the initial payment is equal to payments from the comparable fixed rate conventional loan, and term of the loan is less than the reference term.

Claim 16 (currently amended): The lending instrument of claim 10, wherein the loan term is selected so that portions of the stream of payments comprising [[comprises]] interest [[-only portions that]] sum to be [[approximately]] substantially equal to total interest paid [[with]] on an equivalent fixed rate conventional loan.

Claim 17 (currently amended): The lending instrument of claim 10, wherein the method used to form the lending instrument further comprises selecting a buydown amount, wherein a portion of the stream of payments is less than an interest due at the interest rate for the portion of the stream of payments, wherein the stream of payments is further defined by the buydown, and wherein said buydown reflects an unpaid interest amount from said portion of the stream of payments.

Claim 18 (original): The lending instrument of claim 17, wherein the buydown amount is included as an increase to the selected principal.

Claim 19 (currently amended): A lending instrument comprising a stream of payments [[payment]], the stream of payments having a predefined initial payment and subsequent payments [[comprising]] comprised of the initial payment modified by a

predefined growth rate, wherein the growth rate is calculated so the stream of payments has a present value equal to a borrowed principal;

wherein the stream of payments increases at the growth rate during half or more of the loan term, and

wherein the growth rate is neither a whole percent nor a half of one percent or combination thereof.

Claim 20 (cancelled)

Claim 21 (cancelled)

Claim 22 (original): The lending instrument of claim 19, wherein a comparable fixed rate conventional loan has a reference term and the same interest rate and principal, wherein the initial payment is equal to payments from the comparable fixed rate conventional loan, and the term of the loan is less than the reference term.

Claim 23 (currently amended): The lending instrument of claim 19, wherein the initial payment is greater than or equal to an interest [[only]] portion of the initial payment of a comparable fixed rate conventional loan having constant payments and [[a similar]] the interest rate, principal, and term.

Claim 24 (currently amended): The lending instrument of claim 19, wherein portions of the stream of payments [[comprises]] comprising interest [[interest-only portions,]] sum [[of the interest-only portions being]] to be substantially equal to or less than total interest paid on [[with]] an equivalent fixed rate conventional loan.

Claim 25 (original): The lending instrument of claim 19 further comprising a buydown that is included as an increase in the principal or a decrease in the initial payment.

Claim 26 (currently amended): The lending instrument of claim 19, wherein the stream of payments comprises a plurality of fixed [[last]] payments.

Claim 27 (cancelled)

Claim 28 (cancelled).

Claim 29 (currently amended): The method of claim 1, wherein the stream of the payments is defined by the initial payment for a prespecified period of time and subsequent payments comprising the initial payment adjusted [[one or more times]] by the growth rate at prespecified intervals during the loan term.

Claim 30 (currently amended): The method of claim 29, wherein the calculating of the growth rate comprises selecting a growth rate; and wherein the subsequent payments further comprise one or more secondary adjustments to the growth rate.

Claim 31 (currently amended): The method of claim 30, wherein the secondary adjustment comprises a lump sum payment at the end of the loan term, the lump sum payment equal to an outstanding balance of the principal[[reflecting a difference between the stream of the payments and a needed stream of payments that achieves the present value]].

Claim 32 (currently amended): The method of claim 30, wherein the secondary adjustment comprises a second stream of [[payment] payments that fully amortizes an outstanding principal balance[[that reflects a difference between the stream of the payments and a needed stream of payments that achieves the present value]]].

Claim 33 (cancelled)

Claim 34 (cancelled)

Claim 35 (currently amended): The lending instrument of claim 10, wherein the stream of the payments is defined by the initial payment for a prespecified period of time and subsequent payments comprising the initial payment adjusted [[one or more times]] by the growth rate at prespecified intervals during the loan term.

Claim 36 (currently amended): The lending instrument of claim 35, wherein the calculating of the growth rate comprises selecting a growth rate; and wherein the subsequent payments further comprise one or more secondary adjustments to the growth rate.

Claim 37 (currently amended). The lending instrument of claim 36, wherein the secondary adjustment comprises a lump sum payment at the end of the loan term, the lump sum payment equal to an outstanding balance of the principal [[reflecting a difference between the stream of the payments and a needed stream of payments that achieves the present value]].

Claim 38 (currently amended): The lending instrument of claim 36, wherein the secondary adjustment comprises a second stream of [[payment]] payments that fully amortizes an outstanding principal balance [[that reflects a difference between the stream of the payments and a needed stream of payments that achieves the present value]].

Claim 39 (cancelled)

Claim 40 (cancelled).

Claim 41 (original): The lending instrument of claim 19, wherein the stream of payments is defined by the initial payment for a prescribed period of time and subsequent payments comprising the initial payment adjusted one or more times by the growth rate at prespecified intervals during the loan term.

Claim 42 (currently amended): The lending instrument of claim 41, wherein the calculating of the growth rate comprises selecting a growth rate; and wherein the subsequent payments further comprise one or more secondary adjustments to the growth rate.

Claim 43 (original): The lending instrument of claim 42, wherein the secondary adjustment comprises a lump sum payment at the end of the loan term, and the lump sum payment equal to an outstanding balance reflecting difference between the stream of the payments and a needed stream of payments that achieves the present value.

Claim 44 (currently amended): The lending instrument of claim 42, wherein the secondary adjustment comprises a second stream of payment that amortizes an outstanding balance of the principal [[that reflects a difference between the stream of the payments and a needed stream of payments that achieves the present value]].

Claim 45 (cancelled)

Claim 46 (cancelled)

Claim 47 (original): A computer program embodied on a computer readable medium for calculating a lending instrument, the computer program comprising:

a first code segment that is configured to receive a principal to be borrowed, an interest rate charged for the principal, a term, and an initial payment; and

a second code segment that is configured to calculate a stream of payments for the lending instrument, as defined by the initial payment, the loan term, and a growth rate, the stream of the payments having a present value equal to the borrowed principal, the present value calculated using the interest rate.

Claim 48 (original): The computer program of claim 47, wherein the stream of the payments comprises:

the initial payment for a prespecified period of time; and

subsequent payments comprising the initial payment adjusted one or more times by the growth rate at prespecified intervals during the loan term.

Claim 49 (currently amended): The computer program of claim 48, wherein the first code segment receives the growth rate; and wherein the subsequent payments further comprise one or more secondary adjustments to the growth rate.

Claim 50 (currently amended): The computer program of claim 48, wherein the second code section calculates the secondary adjustments, and wherein the secondary adjustment comprises a lump sum payment at the end of the loan term, the lump sum payment equal to an outstanding principal balance [[reflecting a difference between the stream of the payments and a needed stream of payments that achieves the present value]].

Claim 51 (currently amended): The computer program of claim 48, wherein the second code section calculates the secondary adjustments, and wherein the secondary adjustment comprises a second stream of payment that fully amortizes an outstanding principal balance [[that reflects a difference between the stream of the payments and a needed stream of payments that achieves the present value]].